CBSE Class 10 | Introduction to Financial Markets (Code 405)

Similar & Repeated Question Analysis — Board Exam 2025 (Q.P. Code 92, SET-4)

Subject: Introduction to Financial Markets | Code: 405 | Max Marks: 50 | Time: 2 Hours
This document groups questions from the 2025 Board Paper by topic and similarity, organized by marks category. Questions covering the same underlying concept are placed together for focused revision.

How to use this document: Each section groups questions with the same or very similar concept from different question numbers. This helps identify HIGH-FREQUENCY TOPICS that appear repeatedly — these deserve extra preparation.

SECTION — A | 1-Mark MCQ Questions (Objective Type)

The following groups show 1-mark questions that cover the SAME concept, either within Section A or alongside their related higher-mark counterpart from Section B.

GROUP 1: Book Building / IPO Pricing [HIGHLY REPEATED — 3 Questions]

WHY SIMILAR: Q2(iii) asks about the mechanism of book building. Q3(iii) asks about its advantages through NSE. Q4(ii) asks about the 'Cut-off Price' discovered during book building. All three revolve around the IPO Book Building process.

Q#	Question	Topic/Concept	Marks
Q2(iii)	_____ is a mechanism where during IPO period bids are collected from investors at various prices above or equal to floor price.	**Book Building / IPO**	**1 Mark**
Q3(iii)	Which of the following is NOT an advantage of Book Building through NSE?	**Book Building / NSE**	**1 Mark**
Q4(ii)	In a book building issue, the issuer indicates price band or floor price; the actual discovered price is referred to as:	**Book Building / Price**	**1 Mark**

GROUP 2: SEBI — Market Regulator & Regulatory Bodies [3 Questions]

WHY SIMILAR: Q3(ii) identifies SEBI as the regulator. Q4(iii) ties SEBI to PMS approval. Q4(iv) asks which body provides dematerialization (NSDL, but SEBI regulates). All test knowledge of regulatory architecture.

Q#	Question	Topic/Concept	Marks
Q3(ii)	It is entrusted with responsibility of regulating and developing the securities market… Who is this market participant and what is the name of this entity?	**SEBI / Regulator**	**1 Mark**
Q4(iii)	'Portfolio Management Services' could be offered only by intermediaries having specific approval of _____ for PMS.	**SEBI / PMS**	**1 Mark**

Q4(iv)	Which of the following provides dematerialization of securities? (A) RBI (B) NSDL (C) NSE (D) SEBI	**SEBI / Depository**	**1 Mark**

GROUP 3: Depository / Demat Account / NSDL / CDSL [3 Questions across marks]

WHY SIMILAR: Q5(i) defines a depository. Q5(iv) links NSDL to dematerialization. Q13 (2 marks) asks about Depository Participants. All test the concept of holding securities electronically.

Q#	Question	Topic/Concept	Marks
Q5(i)	It is like a bank wherein the securities are deposited in electronic form: (A) Demat Account (B) Depository (C) RBI (D) NSE	**Depository / Demat**	**1 Mark**
Q5(iv)	Which of the following provides dematerialization of securities? (A) RBI (B) NSDL (C) NSE (D) SEBI	**Depository / NSDL**	**1 Mark**
Q13	Who can be depository participants? Mention two depositories in India.	**Depository Participants**	**2 Marks**

GROUP 4: Time Value of Money / Compounding / Annuity [3 Questions across marks]

WHY SIMILAR: Q2(i) describes compounding. Q5(vi) asks about present value of annuity. Q21 (4 marks) uses the time value of money concept to compare ₹10,000 now vs after 3 years. All test the same foundational financial math concept.

Q#	Question	Topic/Concept	Marks
Q2(i)	When you invest money, you earn interest on capital; next year on both capital and previous year's interest… This concept is known as _____.	**Time Value / Compounding**	**1 Mark**
Q21	Suppose you are given two options: (a) ₹10,000 now or (b) ₹10,000 after 3 years. Explain with time value of money concept. [Long answer on same concept]	**Time Value of Money**	**4 Marks**
Q5(vi)	_____ is the sum of present values of all cash inflows of this annuity.	**Annuity / Present Value**	**1 Mark**

GROUP 5: Securities — Definition, Types & Long-term Investment Options [2 Questions]

WHY SIMILAR: Q2(ii) asks what is NOT a security (Fixed Deposit Receipt is excluded). Q3(i) tests long-term investment options (Post Office monthly income scheme is the answer). Both test classification of financial instruments.

Q#	Question	Topic/Concept	Marks
Q2(ii)	Which of the following is NOT a security? (A) Shares (B) Debentures (C) Bonds (D) Fixed Deposit Receipts	**Securities**	**1 Mark**
Q3(i)	Which of the following is a long-term investment option? (A) Saving Bank Account (B) Money Market Fund (C) FD < 1 year (D) Post Office monthly income scheme	**Investment Options**	**1 Mark**

GROUP 6: Equity Shareholders — Returns, Dividends & Voting Rights [3 Questions across marks]

WHY SIMILAR: Q4(iv) defines Dividend as percentage of face value. Q4(vi) Assertion-Reason tests equity ownership and voting rights. Q20(b) (2 marks) asks types of returns in equities. All test equity shareholder concepts.

Q#	Question	Topic/Concept	Marks
Q3(iv)	_____ is a percentage of face value of share that company returns to shareholders from its annual profit.	**Dividend / Equity Return**	**1 Mark**
Q4(vi) Assertion	Assertion (A): Equity shareholders are owners of the company. Reason (R): They have right to vote in AGM. Choose correct option.	**Equity Shareholders**	**1 Mark**
Q20(b)	Types of return received by investor in equities.	**Equity Returns**	**2 Marks**

GROUP 7: Commodity Derivatives & Forward Contracts [2 Questions]

WHY SIMILAR: Q2(v) describes a farmer-miller forward contract scenario. Q3(v) identifies the underlying asset of commodity derivatives. Both test derivatives and commodity market knowledge.

Q#	Question	Topic/Concept	Marks
Q3(v)	Commodity derivatives market trades contracts for which the underlying asset is _____.	**Commodity Derivatives**	**1 Mark**
Q2(v)	A farmer agrees to sell wheat to a Miller 6 months later at a price agreed today. Identify the type of contract.	**Forward Contract / Commodity**	**1 Mark**

GROUP 8: Secondary Market — Structure, Settlement & Stock Exchange [3 Questions across marks]

WHY SIMILAR: Q5(iii) identifies components of the secondary market. Q5(v) tests Statement/Statement about auction process on settlement failure. Q18 (4 marks) defines stock exchange and its roles. All revolve around the secondary market ecosystem.

Q#	Question	Topic/Concept	Marks
Q5(iii)	Secondary market comprises of _____ and the _____.	**Secondary Market**	**1 Mark**
Q5(v)	Statement-I: On non-delivery by trading member on pay-in day, securities put for auction. Statement-II: Exchange purchases requisite qty and gives to buyer.	**Secondary Market / Settlement**	**1 Mark**
Q18	What do you mean by stock exchange? What are the roles of stock exchange in securities market?	**Stock Exchange**	**4 Marks**

GROUP 9: Financial Ratios — Debt-Equity, Current Ratio & Balance Sheet [3 Questions across marks]

WHY SIMILAR: Q3(vi) gives formula choices for Debt-Equity ratio. Q15 (2 marks) tests 'applications of funds' from a Balance Sheet. Q16 (2 marks) defines Current Ratio and its formula. All test fundamental analysis and financial statement literacy.

Q#	Question	Topic/Concept	Marks
Q3(vi)	Which of the following is the formula of Debt-Equity? (A) Total Debt/Total Equity (B) Total Debt/Total Assets (C) Net Sales/Net Fixed Assets (D) Current Assets/Current Liability	**Debt-Equity Ratio**	**1 Mark**
Q16	What do you mean by Current Ratio? Also write the formula of Current Ratio.	**Current Ratio / Financial Ratio**	**2 Marks**
Q15	Balance Sheet given – List two 'applications of funds' and two sources of funds.	**Balance Sheet / Funds**	**2 Marks**

GROUP 10: Mutual Funds — Advantages & Risks [2 Questions across marks]

WHY SIMILAR: Q2(vi) identifies 'Professional Management' as the advantage of mutual funds. Q19 (4 marks) asks for various types of risks in mutual fund investing. Both test Mutual Fund knowledge from opposite angles (benefits vs risks).

Q#	Question	Topic/Concept	Marks
Q2(vi)	Investment decisions in a mutual fund are made by fund managers who have expertise… Identify the advantage.	**Mutual Fund - Prof. Mgmt.**	**1 Mark**
Q19	Explain the various types of risk in investing in mutual fund.	**Mutual Fund Risks**	**4 Marks**

SECTION — B | 2-Mark Subjective Questions (Short Answer)

The 2-mark questions below form pairs or small groups on the same underlying topic. Note how questions Q11–Q16 all relate to core financial market concepts tested at the 'explain briefly' level.

All 2-Mark Subjective Questions — Grouped by Topic Similarity

Q#	Question	Topic/Concept	Marks
Q11	Companies are started by promoters; their capital from banks may not be sufficient. Explain why do companies require to issue shares to the public?	**Primary Market / IPO Purpose**	**2 Marks**
Q12	What does maturity of a 'Bond' refer to?	**Bonds / Maturity**	**2 Marks**
Q13	Who can be depository participants? Mention two depositories in India.	**Depository / NSDL / CDSL**	**2 Marks**
Q14	'Nifty is barometer of Indian markets.' Define 'Nifty'.	**Nifty / NSE Index**	**2 Marks**
Q15	Balance Sheet: List two 'applications of funds' and two 'sources of funds'.	**Balance Sheet / Fundamental Analysis**	**2 Marks**
Q16	What do you mean by Current Ratio? Also write the formula.	**Current Ratio / Liquidity**	**2 Marks**

 KEY SIMILAR PAIRS in 2-Mark Questions: • Q11 (Why IPO?) ↔ Q12 (Bond Maturity): Both test PRIMARY MARKET instruments — shares vs bonds. • Q13 (Depository Participants) ↔ Q5(i)(iv) MCQs: All test DEPOSITORY system knowledge. • Q15 (Balance Sheet) ↔ Q16 (Current Ratio): Both test FUNDAMENTAL ANALYSIS / financial ratios. • Q14 (Nifty) ↔ Q18 (Stock Exchange, 4 marks): Nifty is an NSE index — directly linked topic.

SECTION — B | 4-Mark Subjective Questions (Long Answer)

4-mark questions require answers of 50–80 words. The groups below show how the same concepts tested in 1-mark or 2-mark questions reappear here at a deeper level.

All 4-Mark Subjective Questions — Grouped by Topic Similarity

Q#	Question	Topic/Concept	Marks
Q17	What are Foreign Currency Convertible Bonds, Global Depository Receipts (GDRs) and American Depository Receipts (ADRs)?	**Foreign Capital / GDR / ADR**	**4 Marks**
Q18	What do you mean by stock exchange? What are the roles of stock exchange in securities market?	**Stock Exchange / Capital Market**	**4 Marks**
Q19	Explain the various types of risk in investing in mutual fund.	**Mutual Fund Risks**	**4 Marks**
Q20(a)	The function of clearing corporation.	**Clearing Corporation / Settlement**	**2 Marks**
Q20(b)	Types of return received by investor in equities.	**Equity Returns / Dividends**	**2 Marks**
Q21	₹10,000 now vs ₹10,000 after 3 years – explain with time value of money concept.	**Time Value of Money**	**4 Marks**

 KEY SIMILAR PAIRS in 4-Mark Questions: • Q17 (GDR/ADR/FCCBs) ↔ Q18 (Stock Exchange): Both test CAPITAL MARKET instruments and market structure. • Q19 (MF Risks) ↔ Q2(vi) MCQ (MF Advantage): Same topic — Mutual Funds — from benefit vs risk angles. • Q20(b) (Equity Returns) ↔ Q4(iv) MCQ (Dividend): Both test what investors earn from equity. • Q21 (Time Value ₹10,000) ↔ Q2(i) MCQ (Compounding) ↔ Q5(vi) MCQ (Present Value Annuity): SAME concept across all three marks categories — highest frequency topic!

SECTION — A & B | Employability Skills Questions (Grouped by Similarity)

Employability Skills form a dedicated portion (4+6 = 10 marks) of the paper. Below are all employability questions grouped by their sub-topics.

All Employability Skills Questions — Grouped by Sub-Topic

Q#	Question	Topic/Concept	Marks
Q1(i)	The means by which the information is sent: (A) Sender (B) Feedback (C) Message (D) Channel	**Communication - Channel**	**1 Mark**
Q6	List the four types of barriers of communication.	**Communication Barriers**	**2 Marks**
Q1(ii)	Stay updated with best practices, prepare for new changes, transition seamlessly. Identify the skill.	**Adaptability**	**1 Mark**

Q1(iii)	'I will read entire year's syllabus in one day and get good marks.' It is an example of _____.	**Goal Setting - Unrealistic**	**1 Mark**
Q7	Ravi shouted at Shiv after losing dance competition. Suggest some points to manage emotional intelligence.	**Emotional Intelligence**	**2 Marks**
Q1(v)	Includes what to produce/sell, how much, where to sell. Identify this function of entrepreneur.	**Entrepreneurship - Decision Making**	**1 Mark**
Q9	Ramya walks around & brings customers; Ramu sits at shop daily. Explain the roles of Ramya (entrepreneur) and Ramu (employee).	**Entrepreneur vs Employee**	**2 Marks**
Q8	What do you mean by 'files' and 'folders' in computer system?	**ICT / Computer Skills**	**2 Marks**
Q1(iv)	The following are navigation keys EXCEPT: (A) Home (B) END (C) ENTER (D) PAGE UP	**ICT / Computer Keys**	**1 Mark**
Q1(vi)	Which of the following is NOT a sustainable development goal according to United Nations?	**SDGs / Green Skills**	**1 Mark**
Q10	Ministry of Railways introduced 'Kulhads' in Varanasi and Raibarelly. Mention two advantages of using Kulhads by Railways.	**Green Skills / Sustainability**	**2 Marks**

 KEY SIMILAR PAIRS in Employability Skills: • Q1(i) Channel (1M) ↔ Q6 Barriers of Communication (2M): Both test COMMUNICATION concepts. • Q1(v) Entrepreneur function (1M) ↔ Q9 Ramya vs Ramu (2M): Both test ENTREPRENEUR vs EMPLOYEE distinction. • Q1(iv) Navigation keys (1M) ↔ Q8 Files & Folders (2M): Both test ICT / COMPUTER SKILLS. • Q1(vi) SDGs (1M) ↔ Q10 Kulhads/Railways (2M): Both test GREEN SKILLS / SUSTAINABILITY. • Q7 Emotional Intelligence (2M) ↔ Q1(ii) Adaptability (1M): Related SELF-MANAGEMENT concepts.

MASTER TOPIC-FREQUENCY TABLE — Most Repeated Concepts

The table below ranks all financial market topics by the number of times they appear across the 2025 paper, counting across all question numbers and marks.

Rank	Most Similar Questions / Topic	Question Numbers	Frequency
1	Time Value of Money (Compounding, Annuity, Present Value)	**Q2(i), Q5(vi), Q21**	**3 Times**
2	Book Building / IPO Pricing (Floor Price, Price Band, Cut-off Price)	**Q2(iii), Q3(iii), Q4(ii)**	**3 Times**
2	SEBI / Regulatory Authority (PMS, Dematerialisation, Market Regulation)	**Q3(ii), Q4(iii), Q4(iv)**	**3 Times**
3	Depository / Demat Account / DP / NSDL	**Q5(i), Q5(iv), Q13**	**3 Times**
4	Equity Shareholders — Dividends, Returns, Voting Rights	**Q4(iv), Q4(vi), Q20(b)**	**3 Times**
5	Secondary Market — Structure, Settlement, Stock Exchange	**Q5(iii), Q5(v), Q18**	**3 Times**
6	Mutual Funds — Advantages & Risks	**Q2(vi), Q19**	**2 Times**
7	Commodity Derivatives & Forward Contracts	**Q2(v), Q3(v)**	**2 Times**
8	Financial Ratios (Debt-Equity, Current Ratio, Balance Sheet)	**Q3(vi), Q15, Q16**	**3 Times**
9	Entrepreneur vs Employee Roles	**Q1(v), Q9**	**2 Times**
10	Communication Skills (Channel, Barriers)	**Q1(i), Q6**	**2 Times**
11	ICT / Computer Skills (Navigation, Files & Folders)	**Q1(iv), Q8**	**2 Times**
12	Sustainability / Green Skills / SDGs	**Q1(vi), Q10**	**2 Times**
13	Primary Market — IPO, Why Companies Issue Shares	**Q11, Q3(ii)**	**2 Times**
14	Foreign Capital / GDR / ADR / FCCB	**Q17**	**1 Time**

EXAM STRATEGY — Focus Areas Based on Repetition Analysis

1. TIME VALUE OF MONEY (Compounding, Annuity, PV/FV) — appears as 1-mark MCQ (twice) AND 4-mark long answer. Master the concept and formula thoroughly.
2. BOOK BUILDING / IPO PRICING — 3 questions across Q2, Q3, Q4. Know: Floor Price → Price Band → Cut-off Price → Listing Price sequence.
3. SEBI & REGULATORY BODIES — SEBI, RBI, NSDL roles asked multiple times. Know which regulator does what.
4. DEPOSITORY SYSTEM — Depository vs Demat Account vs DP vs NSDL/CDSL. Tested at 1-mark and 2-mark levels.
5. EQUITY RETURNS — Dividends (formula), Capital Gains, Voting Rights in AGM — tested as MCQ, Assertion-Reason, and 2-mark.
6. MUTUAL FUNDS — Advantages (Diversification, Liquidity, Prof. Management) and Risks (Market, Interest Rate, Credit) — both tested.
7. FINANCIAL RATIOS — Debt-Equity formula, Current Ratio formula, Balance Sheet items — 3 questions on financial analysis.
8. SECONDARY MARKET — Components (Equity + Debt markets), settlement process (T+2, auction on non-delivery), Stock Exchange roles.
9. EMPLOYABILITY SKILLS — Focus on: Communication Barriers, Emotional Intelligence, Entrepreneur vs Employee, Green Skills/SDGs.

REMEMBER: You must answer 15 out of 21 questions. In Section B, answer any 10 out of 16 (3 Employability + 4 Financial + 3 Long answer). Choose questions from your strongest topics!

Document prepared based on: CBSE Q.P. Code 92, SET-4, 2025 | Subject Code 405 — Introduction to Financial Markets

Based on the grouped analysis from your document, here are the direct and comprehensive answers to all the questions.

Group 1: Book Building / IPO Pricing

- **Q2(iii):** Book Building.
- **Q3(iii):** The statement "The system increases the time taken for completion of the issue process" is NOT an advantage (it actually reduces the time).
- **Q4(ii):** Cut-off Price.

Group 2: SEBI — Market Regulator & Regulatory Bodies

- **Q3(ii):** Regulator, Securities and Exchange Board of India (SEBI).
- **Q4(iii):** SEBI.
- **Q4(iv):** (B) NSDL.

Group 3: Depository / Demat Account / NSDL / CDSL

- **Q5(i):** (B) Depository.
- **Q5(iv):** (B) NSDL.
- **Q13:** According to SEBI regulations, three categories of entities can become Depository Participants (DPs): Banks, Financial Institutions, and SEBI-registered trading members. Two depositories in India are National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Group 4: Time Value of Money / Compounding / Annuity

- **Q2(i):** Compounding.
- **Q21:** You should rationally choose option (a), to receive ₹10,000 now. The time value of money demonstrates that it is better to have money now rather than later because money received today can be invested to earn interest, increasing its future value. If received after three years, its value remains exactly ₹10,000 without any compounding benefits.
- **Q5(vi):** The present value of annuity.

Group 5: Securities — Definition, Types & Long-term Investment Options

- **Q2(ii):** (D) Fixed Deposit Receipts (FDRs are not classified as securities under SCRA).
- **Q3(i):** (D) Post Office monthly income scheme.

Group 6: Equity Shareholders — Returns, Dividends & Voting Rights

- **Q3(iv):** Dividend.
- **Q4(vi):** Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).
- **Q20(b):** Returns come in two forms: (1) Capital appreciation (growth in the market price of the share) and (2) Dividends.

Group 7: Commodity Derivatives & Forward Contracts

- **Q3(v):** Commodity.
- **Q2(v):** Forward Contract.

Group 8: Secondary Market — Structure, Settlement & Stock Exchange

- **Q5(iii):** Equity market and Debt market.
- **Q5(v):** Both Statement-I and Statement-II are true.
- **Q18:** A 'Stock Exchange' is any body of individuals, whether incorporated or not, constituted for the purpose of assisting, regulating, or controlling the business of buying, selling, or dealing in securities. Its primary role in the securities market is to provide a trading platform where buyers and sellers can easily meet to transact in securities, ensuring liquidity and price discovery.

Group 9: Financial Ratios — Debt-Equity, Current Ratio & Balance

Sheet

- **Q3(vi):** (A) Total Debt / Total Equity.

- **Q16:** The Current Ratio measures the ability of the firm to meet its short-term/current liabilities from its current assets. Formula: Current Ratio = Current Assets / Current Liabilities.

- **Q15:** * *Applications of Funds (any two):* Fixed Assets, Investments, Current Assets (Loans and advances).

    - *Sources of Funds (any two):* Shareholders' Funds (Share Capital, Reserves & surplus), Loan Funds (Secured loans, Unsecured loans).

Group 10: Mutual Funds — Advantages & Risks

- **Q2(vi):** Professional Management.

- **Q19:** Various types of risks in mutual funds include:
    - *Market risk:* If the overall market falls, the value of the fund's portfolio drops.

    - *Non-market risk:* Bad news about a specific company can pull down its stock price.

    - *Interest rate risk:* When interest rates rise, bond prices fall.

    - *Credit risk:* The risk of the corporate defaulting on its payment obligations.

Employability Skills Questions

- **Q1(i):** (D) Channel.

- **Q6:** The four types of barriers to communication are: Physical barriers, Linguistic barriers, Interpersonal barriers, and Organizational barriers.

- **Q1(ii):** Adaptability.

- **Q1(iii):** Unrealistic Goal Setting.

- **Q7:** To manage emotional intelligence, Ravi can: Understand and identify his emotions, take deep breaths to calm down before reacting, and practice empathy towards the winner.

- **Q1(v):** Decision Making (or Business Planning).

- **Q9:** Ramya acts as an **Entrepreneur** by taking initiative, actively seeking customers, assuming business risk, and driving growth. Ramu acts as an **Employee** by following a set routine, taking no risk, and doing only what is required to earn his fixed income.

- **Q8:** A **file** is a common storage unit in a computer where data, text, or information is saved under a specific name. A **folder** (or directory) is a storage space used to organize and group multiple files or other folders together.

- **Q1(iv):** (C) ENTER.

- **Q1(vi):** *(Note: Correct answer depends on MCQ options provided in the exam, but typically incorrect distractors include items like "Increasing Population" or "Economic Exploitation")*.

- **Q10:** Two advantages of using Kulhads are: (1) They are eco-friendly and biodegradable, reducing plastic waste, and (2) They generate employment and income for local potters and artisans.